



Deloitte Restructuring Inc.  
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Canada

Tel: 403-267-1899  
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February 26, 2015

## Notice to Depositors of the Church Extension Fund

**Re: Lutheran Church – Canada, the Alberta – British Columbia District (the “District”) including the Church Extension Fund (“CEF”), Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., Encharis Community Housing and Services and Encharis Management and Support Services (collectively, the “District Group”) – Proceedings under the *Companies’ Creditors’ Arrangement Act* (the “CCAA”)**

As you are likely aware, the District Group obtained an Initial Order from the Court of Queen’s Bench of Alberta on January 23, 2015 (the “Filing Date”). Deloitte Restructuring Inc. (“Deloitte”) acts as Court-appointed Monitor in the CCAA proceedings. The Initial Order provided for an initial stay of proceedings until February 20, 2015 on which date the Court granted a further Order (the “February 20 Order”), which provided for an extension of the stay or proceedings until March 27, 2015. Pursuant to the February 20 Order, a claims procedure was also approved, which directed the District Group and the Monitor to solicit claims from all creditors of the District Group for the purpose of determining the claims which will participate in the CCAA proceedings (the “Claims Process”). A copy of the February 20 Order will be available for viewing on the Monitor’s website (the “Monitor’s Website”) at the following link:

[http://www.insolvencies.deloitte.ca/en-ca/Pages/lutheran\\_church\\_canada\\_the\\_alberta\\_british\\_columbia\\_district\\_et\\_al.aspx](http://www.insolvencies.deloitte.ca/en-ca/Pages/lutheran_church_canada_the_alberta_british_columbia_district_et_al.aspx)

As you are aware, as a depositor to the CEF (the “Depositor”) you have a claim against the District in the amount of your investment in CEF as at the Filing Date.

Attached are the following documents with respect to your claim as a Depositor in the Claims Process:

1. A Notice to Creditors regarding the Claims Process, attached as “Schedule 1”;
2. A completed Proof of Claim Form for Depositors for Claims arising prior to January 23, 2015, attached as “Schedule 2” (the “Depositor Claim”);
3. A copy of your CEF Account Summary as of January 23, 2015 (the Account Summary), also attached as part of “Schedule 2”;
4. A Dispute Notice, attached as “Schedule 3”;
5. A Non-Participation Notice, attached as “Schedule 4”; and
6. An Assignment Notice, attached as “Schedule 5”.

If you agree with the amount included in the Depositor Claim, which is based on the Account Summary, no further action is required.

If you do not agree with the amount included in the Depositor Claim, you must deliver a Notice of Dispute by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8 or via facsimile to: 403-718-3681 to the attention of Joseph Sithole on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015 (the “Claims Bar Date”). If no Notice of Dispute is filed on or prior to the Claims Bar Date, your Claim will be accepted for distribution and voting purposes in the amount included in the Depositor Claim.

A Depositor who does not wish to participate in the CCAA proceedings or who wishes to donate or assign their Claim must deliver a Non-Participation Notice or Assignment Notice to the Monitor by registered mail

or courier service to Deloitte Restructuring Inc., 700, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8 or via facsimile to: 403-718-3681 to the attention of Joseph Sithole on or before 4:00 p.m. Mountain Daylight Time on the Claims Bar Date.

The claims of Depositors will be compromised under a Plan of Arrangement (the “Plan”) in the CCAA proceedings. We note that a Plan has not yet been filed in the CCAA proceedings. Acceptance of your Depositor Claim, as included herein, confirms that you are in agreement with the information contained in the Depositor Claim and does not represent a vote in favour of or against any Plan that will ultimately be presented to Depositors.

All Depositor Claims will be in the name of the primary account holder only and only the primary account holder will be eligible to vote on and share in any distributions under the Plan. Should Depositors wish to have their interest in their investment in CEF split between the primary and secondary account holders, please provide a written request to the Monitor prior to the Claims Bar Date.

#### Donating your Depositor Claim to the District

Depositors who wish to donate their Depositor Claim to the District must complete an Assignment Notice, which will assign their Depositor Claim to the District (the “Donation”). Those who do so will be eligible to receive a tax receipt for the Donation in early 2016. At this point in the CCAA proceedings, the amount payable to Depositors pursuant to their Depositor’s Claims is unknown, as it will be dependent on the results of the CCAA proceedings. In early 2016, at such time as a tax receipt is issued, the value of the Donation at the time the Donation was made will be calculated based on the estimated or actual amount available for distribution to Depositors pursuant to the Plan. We note that Depositor’s Claims may also be assigned to other parties.

#### Waiving Interest for the period ended January 23, 2105

Interest payable as at January 23, 2015 was added to each Depositor’s account as at that date. The interest paid as at January 23, 2015 was for the period from the last date that interest was paid (including by being re-invested in an existing deposit) and January 23, 2015. The District will issue a T5 for 2015 for interest paid into Depositors’ accounts during January 2015. Depositors, who wish to do so, may waive the interest paid in 2015 (as reflected in the Account Summary) by completing and returning the attached Dispute Notice indicating that they wish to waive interest paid during 2015. We note that no further interest will accrue or be paid following the Filing Date.

For those Depositors who choose to waive interest, this will reduce the total amount of their Depositor Claim, which will reduce the amount ultimately payable to them under any Plan. Any distributions pursuant to a Plan will be paid out pro-rata, based on the amount of each Depositor’s Claim.

Where interest has been paid and a T5 has been issued, should a portion of the interest not be collectible following the restructuring in the CCAA proceedings, the Depositor may be able to claim a bad debt deduction with respect to the amount of interest that was not collectible. They may also be able to claim a deduction for the entirety of the uncollectible interest as a bad debt now and then report as an income inclusion any interest that they receive in the future. As claims in the CCAA will be paid on a pro-rata basis based on the entirety of each Depositor’s Claim, a portion will be payable related to the principal balance and a portion will be payable related to interest. It is recommended that each Depositor seek independent tax advice in connection with any tax consequences or reporting requirements related to their investment in CEF.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



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Per: Vanessa Allen, B. Comm, CIRP  
Vice-President

# **Schedules**

# **Schedule 1**

COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH  
OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, as amended

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH  
COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND  
SERVICES, ENCHARIS MANAGEMENT AND SUPPORT  
SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA  
– BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

### **NOTICE TO CREDITORS**

On January 23, 2015, the Applicants in the above noted proceedings obtained an Initial Order under the *Companies' Creditors Arrangement Act* (the "CCAA") from the Court of Queen's Bench of Alberta (the "Court"). Deloitte Restructuring Inc. was appointed by the Court as the monitor in these proceedings (the "Monitor").

On February 20, 2015, the Court directed the Applicants and the Monitor to solicit claims from all creditors of the Applicants for the purpose of determining the claims which will participate in the CCAA proceedings.

Except for Depositors and Residents as those terms are defined in the Court Order dated February 20, 2015, any creditor having a claim against any of the Applicants before January 23, 2015 of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim (a "Claim") is required to file, in the manner set out in the Notice to Creditors, a proof of claim in the prescribed form (which has been provided to you with this Notice to Creditors) with the Monitor in order to participate in any voting or distribution associated with the CCAA proceedings.

Additional copies of the prescribed proof of claim form can be obtained by contacting the Monitor via telephone at 403-267-1899 or via email at: [CalgaryRestructuring@deloitte.ca](mailto:CalgaryRestructuring@deloitte.ca) or it can be downloaded from the Monitor's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled "Lutheran Church – Canada, the Alberta – British Columbia District et. al."

Any creditor, except for Depositors and Residents, who chooses to file a proof of claim is required to provide whatever documentation they may have to support their Claim against the Applicants, such as contracts, invoices, bills of lading, and shipping receipts, in relation to the goods and/or services provided to the Applicants in the appropriate currency under which their Claim arose.

Except for Depositors and Residents, all proof of claim forms, together with the required supporting documentation, must be delivered by mail or courier service to Deloitte Restructuring Inc., 700, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8 or sent by facsimile to 403-718-3681 to the attention of Joseph Sithole on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015 (the "Claims Bar Date").

Where a creditor is claiming an offset against all or a portion of amounts owing by the Applicants, full particulars of the offset must be included.

Except for Depositors and Residents, the Monitor will on or before May 5, 2015, in turn provide to the creditor a notice in writing by registered mail, by courier service, or by facsimile as to whether their Claim is accepted or disputed in whole or in part, and the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Except for Depositors and Residents, all Claims received by the Monitor or, in the case of mailing, postmarked, after the Claims Bar Date will, unless otherwise ordered by the Court, be forever extinguished, barred, and will not participate in any voting or distributions in the CCAA proceedings.

Where a creditor objects to a Notice of Revision or Disallowance, the creditor shall notify the Monitor and the Applicants of its objection in writing (the "Dispute Notice") by registered mail, courier service or facsimile within 10 days from the date on the Notice of Revision or Disallowance.

With respect to Depositors and Residents, if the Depositor or Resident does not deliver a Dispute Notice or Non-Participation Notice to the Monitor on or before 4:00 p.m. Mountain Daylight Time on April 20, 2015, the Depositor's or Resident's proof of claim will be deemed accepted by the Monitor.

A Depositor or Resident who objects to the amount provided in their proof of claim must deliver a Dispute Notice to the Monitor, which must be delivered by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8 or sent by facsimile to 403-718-3681 to the attention of Joseph Sithole on or before the Claims Bar Date.

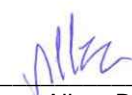
A Depositor or Resident who does not wish to participate in the CCAA proceedings or who wishes to donate or assign their Claim must deliver a Non-Participation Notice or Assignment Notice to the Monitor by registered mail or courier service to Deloitte Restructuring Inc., 700, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta T2P 0R8 or via facsimile to 403-718-3681 to the attention of Joseph Sithole on or before the Claims Bar Date.

The Monitor and the Applicants will attempt to consensually resolve disputes with respect to any Claim. If the dispute cannot be resolved, the Monitor or the Applicants shall bring an application before the Court for the determination of the Claim.

A creditor not filing a Dispute Notice to a Notice of Revision or Disallowance issued by the Monitor shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.

Dated February 26, 2015 in Calgary, Alberta.

**DELOITTE RESTRUCTURING INC.**, in its capacity as Monitor of the LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD..

  
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Per: Vanessa Allen, B. Comm, CIRP  
Vice-President

# **Schedule 2**



COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH  
OF ALBERTA

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, as amended

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT, ENCHARIS  
COMMUNITY HOUSING AND SERVICES, ENCHARIS  
MANAGEMENT AND SUPPORT SERVICES, AND  
LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT PROOF OF CLAIM FORM FOR DEPOSITORS FOR  
CLAIMS ARISING BEFORE JANUARY 23, 2015

*See reverse for instructions.*

Regarding the claim of «CUSTFIRSTNAME» «CUSTLASTNAME» (referred to in this form as the "Depositor", the "Depositor Claim") of «ADDRESSLINE1» «ADDRESSLINE2» «CITY», «PROVINCE» «POSTALCODE».

All notices or correspondence regarding this claim will be sent to the Depositor at the last known address for the Depositor according to the records of Lutheran Church – Canada, the Alberta – British Columbia District, (the "District") or by email to the email address for the Depositor provided to the District

  X   Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, was, as at January 23, 2015, and still is indebted to the Depositor in the sum of \$«Merged\_Combined» as shown by the statement of account attached hereto.

*Instructions for Depositor Proof of Claim Form*

1. If you agree with the amount shown in the Depositor Claim, you do not need to submit anything further to the Applicants or the Monitor. On April 20, 2015, your claim in the CCAA proceedings will be deemed to be the amount shown in the Depositor Claim.
2. If you wish to participate further in the CCAA proceedings, but disagree with the amount shown in the Depositor Claim, then on or before 4:00 p.m. on April 20, 2015:

(a) You will need to fill out and sign the Dispute Notice enclosed with this package.

(b) You will need to deliver the Dispute Notice to:

Deloitte Restructuring Inc.  
700, 850 - 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8  
Attention: Joseph Sithole

VIA facsimile to: 403-718-3691  
VIA email to: CalgaryRestructuring@deloitte.ca

3. If you do not wish to participate further in the CCAA proceedings, or you wish to donate the amount of your account, then on or before 4:00 p.m. on April 20, 2015:

(a) You will need to fill out and sign either the Non-Participation Notice or the Assignment Notice enclosed with this package.

(b) You will need to deliver the Non-Participation Notice or the Assignment Notice to:

Deloitte Restructuring Inc.  
700, 850 - 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8  
Attention: Joseph Sithole

VIA facsimile to: 403-718-3691  
VIA email to: calgaryrestructuring@deloitte.ca

(c) If you have chosen to donate or assign the amount of your account, you will be contacted further in this regard.

*Please note that if you send the Non-Participation Notice or the Assignment Notice then:*

- *You will not receive any further notice of the CCAA proceedings.*
- *You will not be entitled to attend any creditors' meeting.*
- *You will not be entitled to participate in any creditors vote.*
- *You will not be entitled to receive any distribution under any Plan of Compromise or Arrangement which may be approved in the CCAA proceedings.*
- *You will be forever barred from making or enforcing any claim that you may have against Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees.*

# **Schedule 3**

COURT FILE NUMBER 1501-00955  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, as amended  
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.  
DOCUMENT **DISPUTE NOTICE**

I, \_\_\_\_\_(name), of \_\_\_\_\_(city/town), in the Province of \_\_\_\_\_:

Check one:

\_\_\_\_\_ Dispute the amount stated in the Proof of Claim Form for Depositors for Claims Arising Before January 23, 2015 sent to me.

I dispute the amount for the following reasons, and attach all applicable documents:

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*(use additional pages if necessary).*

Dated at \_\_\_\_\_(city/town), this \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(signature of individual completing the form)

*Must be signed and witnessed.*

# **Schedule 4**

COURT FILE NUMBER 1501-00955  
COURT COURT OF QUEEN'S BENCH  
OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, as amended  
APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT, ENCHARIS  
COMMUNITY HOUSING AND SERVICES, ENCHARIS  
MANAGEMENT AND SUPPORT SERVICES, AND  
LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT **NON-PARTICIPATION NOTICE**

I, \_\_\_\_\_(name), of \_\_\_\_\_(city/town), in the Province of \_\_\_\_\_:

Do not wish to participate in the CCAA proceedings and wish to abandon my claim.

**By completing this form, I acknowledge and agree that:**

- *I will not receive any further notice of the CCAA proceedings.*
- *I will not be entitled to attend any creditors' meeting.*
- *I will not be entitled to participate in any creditors vote.*
- *I will not be entitled to receive any distribution under any Plan of Compromise or Arrangement which may be approved in the CCAA proceedings.*
- *I am forever barred from making or enforcing any claim that I have or may have against Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees, and I do hereby release Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees from any and all such claims.*

Dated at \_\_\_\_\_(city/town), this \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(signature of individual completing the form)

*Must be signed and witnessed.*

# **Schedule 5**

COURT FILE NUMBER            1501-00955

COURT                            COURT OF QUEEN'S BENCH  
OF ALBERTA

    IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE                CALGARY

    IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, as amended

APPLICANTS                      LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT, ENCHARIS  
COMMUNITY HOUSING AND SERVICES, ENCHARIS  
MANAGEMENT AND SUPPORT SERVICES, AND  
LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

DOCUMENT                        **ASSIGNMENT NOTICE**

I, \_\_\_\_\_(name), of \_\_\_\_\_(city/town), in the Province of \_\_\_\_\_:

Check one:

\_\_\_\_\_ Wish to assign my claim in the CCAA proceedings to a congregation, which is \_\_\_\_\_(name of congregation).

\_\_\_\_\_ Wish to assign my claim in the CCAA proceedings to a person/corporation, which is \_\_\_\_\_(name of person/corporation).

**By completing this form, I acknowledge and agree that:**

- *I will not receive any further notice of the CCAA proceedings.*
- *I will not be entitled to attend any creditors' meeting.*
- *I will not be entitled to participate in any creditors vote.*
- *I will not be entitled to receive any distribution under any Plan of Compromise or Arrangement which may be approved in the CCAA proceedings.*
- *I am forever barred from making or enforcing any claim that I have or may have against Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees, and I do hereby release Lutheran Church – Canada, the Alberta – British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees from any and all such claims.*



**Please note that you will be contacted further in order to formally complete the assignment of your claim.**

Dated at \_\_\_\_\_ (city/town), this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(signature of individual completing the form)

*Must be signed and witnessed.*